



STATE OF WASHINGTON
DEPARTMENT OF SOCIAL AND HEALTH SERVICES

February 7, 2003

TO: Regional Administrators
CSO Administrators
Community Services Division

FROM: Roxie Schalliol, Director
Division of Employment and Assistance Programs

Michael W. Masten, Director
Community Services Division

Kathleen Brockman, Director
Division of Management and Operations

**SUBJECT: WORKFIRST BUDGET REDUCTIONS – SUPPORT SERVICES AND
WORKFIRST CONTRACTS**

As you have recently heard, we must address a \$35 million deficit in the WorkFirst budget by the end of this fiscal year (June 30, 2003). These are difficult economic times and state resources are not keeping pace with demands on services. Governor Locke has directed officials to maintain certain core values of the program:

- The safety net of temporary welfare grants;
- Open-door access to child care for the poorest working families;
- Incentives that make work pay more than welfare; and,
- Vocational training for better jobs for low-income parents.

One solution developed to help us resolve this budget deficit is to reduce spending below our current levels for support services and most WorkFirst contracts. Attached you will find new regional allocations that go into effect immediately.

Regions must reduce their current level of referrals for contracted services and their support services authorizations by approximately ten percent. We have not reduced allocations for family violence, HUD housing, and tribal contracts, and regions can spend up to their current regional allocations for these items. No additional funds, however, can be added to these contracts.

Please keep in mind that simply reducing referrals by ten percent will not ensure the required reductions are met since pay points for existing services in progress are often higher than the initial pay point. Regions will need to pay particularly close attention to all contract expenditures to ensure their revised allotment is not exceeded.

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It is critical that regions stay within their new allocations for support services and WorkFirst contracts. To ensure we resolve our budget deficit, both region and headquarters staff will be monitoring these expenditures closely every month.

To assist in monitoring and controlling expenditures, regional expenditures will be restricted to allocations by category and funds cannot be moved between contracts and support services without prior approval. Specifically:

1. Funds cannot be moved from WorkFirst Contracts to another category.
2. Funds cannot be moved in or out of Family Violence.
3. Funds can only be moved in or out of Support Services when a region has a transportation contract. In that case, a region may request funding to be moved from Support Services to WorkFirst Contracts/Admin to cover the cost of the transportation.
4. Submit requests for transfer of funds to DMOS/Fiscal, Bill Jordan.

WorkFirst partner agencies will continue to work together to provide support services to our mutual clients. All partners will adhere to the policy that support services are authorized by the first person that receives the request so we meet clients' needs as quickly and easily as possible.

DEAP, CSD, and DMOS staff are available to discuss this change if needed. If you have any questions, please contact:

- Sandy Jsames at (360) 413-33239 or jsamesm@dshs.wa.gov
- Carmen Gutierrez at (360) 413-3132 or gutiecj@dshs.wa.gov, or
- Lois Lindsey at (360) 413-3327 or lindsld@dshs.wa.gov.

Attachment

cc: Keith Phillips
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